Public Purpose/Impact Analysis

City Council/Redevelopment Agency Meeting
September 15, 2010

Title of Project: Entertainment Visual Improvement Agreement (EVIP) between the LV Redevelopment Agency and A. W. Ham III Trust (Property Owner) and Vanguard Lounge LLC (EVIP Participant & Tenant) (516 Fremont Street)

Project Description: Exterior renovations, new neon signage and improvements to an existing building

Sponsor/Developer: Andrew Wheatley and Jennifer Wheatley Owners of Vanguard Lounge LLC

Assistance Provided by: Redevelopment Agency. Total Exterior project cost is approximately $21,263.00. Agency will reimburse the EVIP applicant on a 1:1 basis for pre-approved qualified exterior improvements. The Agency will reimburse the EVIP applicant up to a maximum of $11,000.00, for exterior improvements to the building. Agency will also record a Façade Easement and Building Maintenance Agreement against the property for a period of five (5) years, from date of completion of project.

Number of Direct Jobs Created: Ten (10) part-time jobs will be created.

Number of Indirect Jobs Created: Not Applicable

Number of Direct Jobs Retained: Not Applicable

Pertinent Statutes Used for Public Purpose:

In accordance with NRS 279.486, the EVIP applicant has submitted a signed and notarized Participant Affidavit and Employment Plan which states that without the Redevelopment Agency's assistance, the proposed project would not be completed to a level that would be beneficial to the redevelopment area and the surrounding neighborhood. Any potential job creation opportunities will be advertised within the surrounding neighborhoods for qualified applicants.

How Does the Project Benefit the Public:

Vanguard Lounge LLC is leasing a property a building (approximately 2,000 sf) from A. W. Ham III Trust. This property was formally a souvenir, sunglasses and luggage shop for many years and most recently a guitar/music store. The tenant is opening a lounge/nightclub within the Fremont East Entertainment District (FED). The improvements will provide a visual upgrade to a location on Fremont Street that has been vacant for almost 1 year.

This project is located in the Fremont East Entertainment District (FED). This newly formed entertainment district was formed in 2002 to attract nightclubs/bars, restaurants and live entertainment venues to the area as a way to revitalize the surrounding neighborhood. In addition, the FED had $5.1 million worth of streetscape improvements installed. These improvements, along with 6 new nightclubs, have revitalized the area and lessened blighting conditions.

The City and Redevelopment Agency are focusing financial and staff resources to the continued development of this area as an entertainment destination for local residents and visitors to downtown Las Vegas. As the FED grows and other projects are completed with the FED and surrounding neighborhood, a renewed interest by property owners and business owners to renovate their property or expand their business will increase.

This project will help stabilize and increase positive economic activity within the surrounding neighborhood. Vanguard Lounge LLC will encourage the creation of new business and/or appropriate development, and creates jobs or other business opportunities for nearby residents and increases local revenues from desirable sources.

Quantitative Economic Benefits:

Total project cost for the project is approximately $250,000 and is being fed into the local economy through the employment of qualified contractors for the rehabilitation of the building. As for the Vanguard Lounge project ten (10) part-time jobs will be created. The economic benefit, via wages, comes out to $8,125/month, or **$406,250 per year** at this location. Wages over a five year period would amount to **$2,135,383.**

Private Investment**:**

Applicant will be funding this project cost of approximately $250,000.00 through cash on hand.

Public Investment:

The EVIP program requires a 1:1 match from the applicant for all pre-approved exterior improvements. For this project, the public investment will be $95,000.

Total Direct Economic Impact:

Total Direct Wages adjusted 2.5% annually, for 5 years = **$2,135,383.00**

Total Indirect Economic Impact:

Not Applicable

Economic Impact Study Performed: Yes ☐ No ☒

Return on Investment Analysis Performed: Yes ☐ No ☒